

# Richmond Water Resources Department

2014 Annual meeting

April 28, 2014

# Budget Highlights

Expenses	FY13 Actual	FY14 Budget	FY15 Proposed
Administration	\$214,091	\$243,300	\$234,130
Wastewater only	\$187,910	\$206,700	\$206,900
Water only	\$32,748	\$53,000	\$56,800
Debt	\$136,650	\$130,595	\$140,905
Capital	\$64,000	\$75,000	\$94,000
<b>Total</b>	<b>\$635,399</b>	<b>\$708,595</b>	<b>\$732,735</b>
<b>% inc over prior yr</b>	<b>7%</b>	<b>11.5%</b>	<b>3.4%</b>
Projected septage	\$196,000	\$100,000	\$100,000
<b>Increase % from customers</b>	<b>n/a</b>	<b>28%*</b>	<b>4%</b>

\* Average, individual bills changed much more or much less.

# Proposed Rate Design Changes

- Three Rate Classes
  - Residential 67% of budget
  - Commercial/Governmental 23% of budget
  - Schools 10% of budget
- Fixed component
  - Residential 30% of class budget
  - Commercial/Government 40% of class budget
  - Schools 50% of class budget
- Flow component
  - Residential 70% of class budget
  - Commercial/Government 40% of class budget
  - Schools 50% of class budget

# Proposed Rate Design Changes

- FY14 rate design – ERUs + Flow
  - 497.5 ERUs Water
  - 461 ERUs Wastewater
  - The more water you use, the more ERUs
- FY15 rate design (proposed) – Unit + Flow
  - 471 Units Water
  - 467 Units Wastewater
  - One Unit per living/business space

# Proposed Rate Design Changes

- Residential
  - 257 meters
  - 221 single-family/meters, 221 res units
  - 36 multi-family/meters, 142 res units (all residential)
  - 16 commercial/meters, 31 res units (mixed)
  - 394 total residential billable units (2 water-only)

# Proposed Rate Design Changes

- Commercial/Government
  - 64 meters
  - 45 exclusively commercial/government accounts
    - 38 single unit/meter, 38 billable units
    - 6 multi-unit/meter, 19 billable units
  - 16 multi-unit, multi-use buildings, single commercial account
    - 30 residential billable units
    - 22 commercial billable units
  - 77 commercial/government billable units (2 water-only)

# What does all this mean?

## Residential customers with

- .5 ERU will increase
- Multi-unit, master-metered buildings will increase
- > 1 ERU SFH will decrease (depending on current water use)

# What does all this mean?

## Commercial customers with

- Low-volume customers will increase
- Multi-unit, master-metered buildings will increase
- High volume commercial water users will decrease

# Septage Revenue?

Taking in septage for treatment from haulers:

- Is a significant net revenue generator (fees paid outweigh additional costs)
- Is highly variable and depends on a competitive market
- Should be minimized as projected revenue
- Can still be used however we want after it is actually collected

# What work have we done?

- Jericho Rd.
  - Complete overhaul: Water, Sewer, Stormwater, Road, Sidewalks
- Depot St
  - Complete overhaul: Water, Road, Parking lot
- Bridge St
  - Wastewater lining
- East Main St
  - Wastewater lining
- West Main St.
  - Water, Wastewater

# What do we still need to do?

Capital projects in order of importance (from the 2010 Preliminary Engineering Report)

- Tank
- Chlorine Contact Time
- East Main St.
  - Coordinate with VTrans
- Bridge St.
- Pleasant St.
- Millet-Tilden-Baker Sts.
- Cochran Rd.

# Reducing future rate increases

## Restructure budget and rates

- Reduce impact of septage variability
- Charge schools more
- Fund capital reserves

## Add new customers to existing system

- Develop Creamery parcel

## Time projects requiring bonding

- Use capital funds for small projects

## Pursue State and Federal project funding